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INTELLIGENCE REPORT

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COUNTRY China

DATE: 25X1A6A

SUBJECT Economic Information: Yungli Chemical Industries Company, Tangku

INFO.

DIST. 27 January 1947

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1. History

The factory was founded by FAN Hsu Tung (范旭东) in 1917 with capital collected entirely from a group of shareholders. During the Japanese occupation the personnel of this factory withdrew to Chungking and set up a branch factory. After V-J Day, the factory at Tangku was repossessed and although the plant had suffered severe war damage, it had resumed limited production within three months.

2. Organization

The shareholders direct the company through HOU Te P'ang (侯德榜), manager of the General Office, who supervises the operations of the Manufacturing Department and the Power Department.

3. Production

a. During the Japanese occupation, the machinery, including a 1,000 KW generator, was damaged, but within the last nine months two-thirds of the damage has been repaired. It is expected that all machines will be running normally within two months.

b. The main products of the factory are soda ash and caustic soda; the by-product is baking powder. Before the war, production reached 200 tons of soda ash daily; at present the daily output is about 100 tons of soda ash and 20 tons of caustic soda.

c. The factory has three wells for water supply. Two are used by the factory and one helps supply water for the town. Before the war, two 1,000 KW generators and three 300 KW generators furnished electric power. One of the former was worn out during the Japanese occupation.

d. The factory requires 6,000 tons of coal, 7,500 tons of salt, and 7,500 tons of limestone each month. There are plenty of these materials available, but the coal and limestone must be brought down from Tangshan, and transportation is insufficient. The factory could easily produce more than 200 tons of soda ash and approximately 100 tons of by-products if it were not for the problems of bringing in the raw materials and delivering the finished products to the markets.

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e. Marketing the products has become very difficult, as the Soviets have cut off approximately half the Chinese market. Government taxes are so high that small private factories can produce a much lower-priced soda by using smuggled salt and evading taxes.

f. The factory employs 900 permanent laborers and 200 temporary laborers. They are paid twice a month according to the day by day value of corn flour. The daily wage is equivalent to the value of from ten to fifteen catties of corn flour, depending on the laborer's rating. There are 80 office workers who receive an average wage of 300,000 CMC monthly. Both permanent laborers and office workers are supplied with houses, light, water, and coal. School, hospital, and club facilities have been furnished the employees.

4. Plan for the future

The manager, HOU Te P'ang, is a well-known authority on chemistry. He has prepared a plan, now under consideration by the Executive Yuan, which would set up a group of ten factories in the Tanghai area, thus creating one of the largest chemical industrial centers of China.

5. Business Office Addresses

- a. North China: Tientsin
 District #1
 1 Chih Feng Tao (Road)
- b. West China: Chungking
 103 Pao An Road
- c. Shanghai Area: 410 Szuchuan Road

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